GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:4197
ANSWERED ON:28.03.2017
Expenditure on Procurement by FCI
K. Shri Parasuraman

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the amount of money utilised in the procurement of food grains through the FCI for the last three financial years, State-wise;
(b) whether the Government is planning to reduce the role of the FCI in procurement of grains and make it more State centred and if so, the details thereof;
(c) whether the Government has accepted the report and recommendations made by the Shanta Kumar committee on restructuring of FCI; and
(d) if so, the details of the action taken by the Government in this regard?

Answer

MINISTER OF STATE FOR CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION
(SHRI C. R. CHAUDHARY)
(a): The total amount of money utilised in the procurement of food grains through the Food Corporation of India (FCI) for the last three financial years, State-wise is at Annexure-I.
(b): Decentralized Procurement Scheme (DCP) was introduced by Government of India (GOI) in 1997-98 to increase participation of states in procurement and distribution. Under DCP system, the State Govt./its agencies procure , store and distribute (against GOI's allocation for Targeted Public Distribution System (TPDS)/ National Food Security Act (NFSA) and Other Welfare Scheme (OWS) rice /wheat within the state. The excess stocks (Rice & wheat) procured by the State /its agencies are handed over to FCI in Central Pool. The expenditure incurred by the State Government on procurement, storage and distribution of DCP stocks are reimbursed by GOI on the laid down principles.
13 States have adopted DCP mode of procurement for Rice and 8 States adopted DCP mode for Wheat. In addition, Jharkhand has adopted DCP for rice from KMS 2016-17 onwards for one district i.e. Ramgarh revenue district.
(c) & (d): The Action taken on the major accepted recommendations of High Level Committee headed by Shri Shanta Kumar, Hon'ble MP is enclosed at Annexure-II.
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ANNEXURE-I
ANNEX REFERRED TO IN REPLY TO PART (a) OF UNSTARRED QUESTION NO 4197 TO BE ANSWERED ON 28TH MARCH, 2017 IN LOK SABHA.
The details of amount utilised in the procurement of wheat, paddy/rice through the FCI including MSP & Incidental Charges based on the audited accounts for the year 2013-14, 2014-15 & 2015-16.
Rs. In Crore
S.No.
Name of State/Unit
2013-14
2014-15
2015-16
1
Bihar
1890.92
0.35
0.35
2
Jharkhand
239.49
4.24
124.72
3
Orissa
2906.20
3323.63
3784.22
4
West Bengal(Including Sikkim)
181.38
28.97
677.22
5
Assam

35.42
14.65
54.03
6
Arunachal Pradesh
0.00
0.00
0.16
7
NEF
0.74
38.54
0.00
8
N&M
0.18
0.05
0.00
9
Delhi
0.11
0.18
2.77
10
Haryana
22937.76
20067.65
19725.91
11
Himachal Pradesh
0.33
0.20
0.23
12
Jammu & Kashmir
0.08
0.00
15.44
13
Punjab(Including Chandigarh)
46769.29
47725.49
50427.43
14
Rajasthan
1738.75
3090.59
1932.25
15
Uttar Pradesh
4050.91
4804.13
10264.93
16
Uttaranchal
584.09
455.12
716.99
17
Andhra Pradesh (Including Andman Nicobar & Telengana)
10452.11
12965.21
9375.19
18
Karnataka
0.14
0.03
0.16
19
Kerala (Including Lakashadweep)
0.00

0.00
1.07
20
Gujrat
0.21
0.60
15.52
21
Maharashtra (Including Goa)
396.11
365.88
557.48
22
Madhya Pradesh
5979.63
7380.34
9973.03
23
Chhattisgarh
5027.14
6073.45
8229.38
Total
103190.99
106339.30
115878.48
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ANNEXURE-II

ANNEX REFERRED TO IN REPLY TO PARTS (c)&(d) OF UNSTARRED QUESTION NO 4197 TO BE ANSWERED ON 28TH MARCH, 2017 IN LOK SABHA.

Action taken on the major recommendations of High Level Committee headed by Shri Shanta Kumar, Hon'ble MP

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S. No	Action Point	Action taken
1.	Improvement of procurement operations in Eastern States	37.81 LMT of rice has been procured in Eastern States during ongoing KMS 2016-17.
2.	Implementation of Depot Online System	Depot Online System is operational at 508 FCI Depots.
3.	Fixation of scientific norms for storage losses	A study has been assigned to through ICAR for evolving scientific norms for storage losses. The performance of FCI with regards to control of storage losses is satisfactory. During 2016-17, there is a net gain of 0.13%.
4.	Reduction in transit losses	Cumulative transit losses during 2016-17 (April, 2016 to January, 2017) has been reported to the tune of 0.38%.
5.	Procurement of pulses and oilseeds by FCI.	FCI has procured around 64613.94 MT of Moong, 18234.23 MT of Urad and 148735.14 MT of Tur.
6.	Issue relating to Contract Labour	In pursuance of the High Court of Bombay, Nagpur Bench, judgement directing for rationalization of Labour strength to optimize labour cost, Ministry of Labour & Employment notification dated 6th July, 2016 gives exemption for two years for notified depots. FCI has taken appropriate steps for shifting/transfer/repositioning of 1739 labours within regions.